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SUBJECT: HARDLINE KERALA COMMUNISTS LOSING OUT, BUT PARTY STILL
OPPOSES CIV-NUKE DEAL

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11. (SBU) SUMMARY: As Kerala's Communist Party of India (Marxist) (CPI(M)) prepare to hold its State Conference February 11 - 14, insiders say that the party's conservatives, led by Chief Minister Achuthanandan, will face a major defeat in the elections to the party's state committee. State Secretary Pinarayi Vijayan's faction, which is seen to be more amenable to economic reforms, is expected to tighten its grip. But the party's opposition to the U.S.-India Civil Nuclear Cooperation Agreement remains as strong as ever. END SUMMARY.

12. (SBU) We spoke with CPI(M) insider John Brittas, Managing Director of Malayalam Communications, the CPI(M)-controlled TV company that runs three satellite channels, and a former New Delhi correspondent for the CPI(M) daily "Deshabhimani." Brittas is a part of the CPI(M) faction led by State Secretary Pinarayi Vijayan, which is seen to be more open to economic reform and private investment. (COMMENT: Although the Pinarayi faction may be more receptive to economic reforms, they do not have a track record of accomplishment and many doubt their ability to deliver. END COMMENT.)

MODERATE (BY KERALA STANDARDS) COMMUNISTS WINNING OUT

13. (SBU) Brittas was sharply critical of Chief Minister Achuthanandan. "In all the other states including West Bengal, the Chief Ministers champion the cause of economic development and private investment while the party machinery would advise caution. Here, it is the other way round: the party is for investment and economic development while it is the Chief Minister who wants to go slow," he pointed out. According to Brittas, Achuthanandan has a good team of ministers including Finance Minister Thomas Isaac and Education Minister M.A. Baby but the Chief Minister is such a loner and a born factionalist that he cannot lead the team and produce results.

14. (SBU) Brittas said that in the ongoing CPI(M) district elections, Vijayan's group is trouncing Chief Minister Achuthanandan's group. According to Brittas, Pinarayi Vijayan will emerge the unchallenged leader in the February 11-14 State Conference of the CPI(M). He would not rule out the possibility of a mid-term removal of the Chief Minister but indicated that, more likely, the party would exert more control over the Chief Minister. Brittas added that the constant infighting within the CPI(M) and the Left Democratic Front it leads has rendered the government ineffective and eroded the popular goodwill that brought them to power with a massive majority in 2006.

15. (U) At the State Conference, Politburo Member Sitaram Yechury is scheduled to open a seminar on the U.S.-India Civil Nuclear deal and national General Secretary Prakash Karat will inaugurate a seminar on the "contemporary relevance of Marxism." Agricultural Scientist

M.S. Swaminathan and journalist Seema Musthafa are among the speakers at other seminars.

CPI(M) REMAINS FIRMLY AGAINST CIV-NUKE DEAL

¶6. (SBU) Brittas advised against seeing the Left's decision to allow the government of India to negotiate a safeguards agreement with the International Atomic Energy Association as a dilution in the CPI(M)'s opposition to the Civil Nuclear Agreement. He said it was only a temporary tactic to buy time in order to ease the fall-out of the violence in Nandigram, West Bengal, and to allow Congress to face the then-pending Gujarat elections. Brittas said for its own electoral considerations, the CPI(M) could not afford to be seen as okaying the deal under any circumstances. Brittas added, however, that he felt there is no chance for immediate mid-term parliamentary elections, indicating that the Congress party had capitulated to the CPI(M) position in the aftermath of its losses in the Gujarat elections.

¶7. (SBU) COMMENT: Brittas is an admitted supporter of Pinarayi's more reform-minded group. Still a committed CPI(M) party man, he reflects a growing sentiment that the Chief Minister and his obscurantist allies have set back Kerala's chances to reform its economy and improve the investment climate. But many in Kerala doubt the ability of Pinarayi and his supporters to deliver. Although they may be more open to private investment, they are also seen as more corrupt and lacking in political will. A strengthened Pinarayi faction in the CPI(M) may improve things in Kerala a bit by tamping down on infighting in the coalition government, but major changes anytime should not be expected anytime soon. END COMMENT.

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